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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOCKETED

2016 APR -5 P 4: 05

DOUG LITTLE - Chairman

BOB BURNS

TOM FORESE

BOB STUMP

ANDY TOBIN

APR 05 2016

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION TO EXTEND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY AT CASA GRANDE, PINAL
COUNTY, ARIZONA

DOCKET NO. W-01445A-05-0469

**RESPONSE TO OBJECTION
AND SUPPLEMENT TO
REQUEST FOR ADDITIONAL TIME
FOR COMPLIANCE FILING**

On December 23, 2015, Arizona Water Company ("Company") filed a Request for Additional Time for Compliance Filing ("Request") requesting that the Commission extend the compliance deadline under Decision No. 68607 to March 23, 2018. The Company now updates its Request with the following information and exhibits and requests that the Commission extend the compliance deadline ten years, to March 23, 2026, rather than March 23, 2018, as the Company earlier requested.

1. SUPPLEMENT TO REQUEST.

In paragraph 4 of the Application, the Company stated that it would file additional letters from the owners of the real property located in the extension area approved by Decision No. 68607. The Company has now received and has attached as Exhibits 6-9 letters from owners of parcel numbers 4, 5 and 7 of the extension area. Owners of all the property in the extension area have now submitted, in writing, their request for water service from the Company.

The property owner letters confirm both the owners' desire that the Company provide public utility water service to their properties and the owners' plans to develop their property in reliance upon water service they expect to obtain under the Company's CCN. The continued existence of that

1 CCN supports the slowly improving development market that has experienced historic difficulty,
2 while the withdrawal of that CCN harms that recovery.

3 Pursuant to a request from the Commission Staff, the Company also includes as Exhibit 10
4 an updated spreadsheet showing the compliance items that the Company and the property owners
5 have completed, as well as those items that remain unfulfilled due to the economic downturn and
6 slowdown in property development in this State.

7 **2. RESPONSE TO OBJECTION.**

8 On February 22, 2016, City of Eloy ("City") Mayor Joel G. Belloc filed a letter in this docket
9 in which he objected to the Company's Request to extend the compliance deadlines for parcel 3. The
10 Mayor's objection and desired outcome is not in the public interest because the owners of parcel 3 in
11 the CCN extension area, the Warrens, have requested service from the Company, not the City, and
12 because it will saddle customers with unnecessary, duplicate facilities and costs.¹

13 On December 17, 2015, the Warrens provided the Company a letter that states they "still
14 need and desire to receive water service from Arizona Water Company," not the City². The letter
15 also documents that the Warrens have not moved forward with their plans to develop their property
16 because of the severe recession. The letter further documents that the Warrens still plan to develop
17 their property at the earliest possible time. The Company's Request serves to accommodate the
18 Warrens' desire to develop their property and to alleviate the delays they have faced because of the
19 recession. In contrast, the City's objection will harm the Warrens by making it more difficult for
20 them to develop their property.

21

22

23 ¹ The Mayor's letter addresses parcels 2, 3, and 8. The Company has not requested additional time for parcels 2 and 8
24 because the property owners of parcel 2 withdrew their request and that parcel is no longer part of the CCN extension
area. The Request does not address parcel 8 because the City refused to grant the Company a franchise for parcel 8,
also removing it from the CCN extension area. This response only addresses the relevant parcel 3.

25 ² See Exhibit 1, filed December 23, 2015.

1 The City's request that the Commission remove parcel 3 from the CCN extension area will
2 also harm the Warrens because it will make it far more expensive for them to develop their property.
3 As the Mayor admits, the City has no water facilities within one-half mile (or 2,640 feet) capable of
4 serving the property. In contrast, the Company has a 6-inch water main in Battaglia Drive, which
5 fronts all but a few feet of parcel 3 on the South, and a 12-inch water main in Lamb Road, which
6 fronts the entire West side of parcel 3. A copy of a portion of the Company's system map showing
7 the Company's facilities next to parcel 3 is attached as Exhibit 11. Exhibit 11 also shows that the
8 Company's well 28 and Arizona City arsenic treatment facility also lie at the intersection of Battaglia
9 Drive and Lamb Road, immediately across the street from parcel number 3. The City's self-serving
10 request to remove parcel 3 from the CCN extension area will place unnecessary, increased costs to
11 extend the City's water facilities to the property squarely on the Warrens and other future customers,
12 all while the Company is ready, willing, and able to provide water service to the property today. The
13 Company requests that the Commission reject the City's objection and extend the Company's CCN
14 compliance deadline.

15 **3. THE COMPANY REQUESTS A TEN-YEAR DEADLINE.**

16 In the recent matter of Global Water Utilities' request for extension of compliance deadlines,
17 Staff "recommend[ed] a 10-year extension of time in light of slow recovery of development."³ The
18 Commission accepted this recommendation and set a ten year deadline for Global to file compliance
19 items in that docket.⁴ Given Staff's reconsidered position and the Commission's order, the Company
20 requests that the Commission set a deadline for compliance items in this docket of ten years, or until
21 March 23, 2026.

22 ...

23 ...

24 ³ See Staff's Memorandum, filed December 21, 2015, in Docket No. W-01445A-06-0199.

25 ⁴ See Docket No. W-01445A-06-0199, Decision No. 75482.

1 **CONCLUSION**

2 Accordingly, the Company again respectfully requests that the Commission enter an order
3 extending its time to file the final compliance items under Decision No. 68607 to March 23, 2026.
4

5 RESPECTFULLY SUBMITTED this 5th day of April, 2016.
6

7 ARIZONA WATER COMPANY

8 By: 
9

10 E. Robert Spear (No. 025772)
11 General Counsel
12 ARIZONA WATER COMPANY
13 3805 North Black Canyon Highway
14 Phoenix, AZ 85015
15 Phone: 602-240-6860
16
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18
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21
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23
24
25

1 ORIGINAL and thirteen (13) copies of the foregoing filed this 5th day of April, 2016, with:

2 Docket Control
ARIZONA CORPORATION COMMISSION
3 1200 W. Washington Street
Phoenix, AZ 85007

4 I hereby certify that I have this day served the foregoing documents on all parties of record in this
5 proceeding by delivering a copy thereof in person to:

6 Janice Alward, Director
Legal Division
7 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
8 Phoenix, Arizona 85007

9 Thomas M. Broderick, Director
Utilities Division
10 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
11 Phoenix, Arizona 85007

12 Dwight D. Nodes, Chief Administrative Law Judge
Hearing Division
13 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
14 Phoenix, Arizona 85007

15 I hereby certify that I have this day served the foregoing documents on all parties of record in this
16 proceeding by mailing a copy thereof, properly addressed, with first class postage prepaid, to:

17 Gary Vasquez
P.O. Box 15005
Casa Grande, AZ 85230-5005

18 Thomas Campbell
19 LEWIS AND ROCA CHRISTIE, LLP
40 N. Central Ave.
20 Phoenix, AZ 85004-4429

21 Mayor Joel G. Belloc
CITY OF ELOY
22 628 N. Main Street
Eloy, AZ 85131

23

24 Dated at Phoenix, Arizona, this 5th day of April, 2016.

25

**EXHIBIT 6
(Parcel 4)**

**Lawrence Land II LLC
5650 W Linda Ln
Chandler, AZ 85226**

December 17, 2015

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 402-06-013A, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

Lawrence Land II LLC

By: Charles M. Lawrence
(sign)

Name: Charles M. Lawrence
(print name)

Its: managing member
(print title)

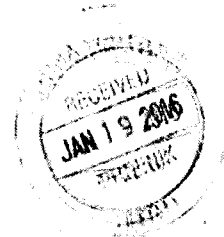


EXHIBIT 7
(Parcel 5)

**51 Buckeye Limited Partnership
5816 N Casa Blanca Dr
Paradise Valley, AZ 85253**

December 17, 2015

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 509-44-0020, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.


Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

51 Buckeye Limited Partnership

By 51 Buckeye, Inc., g.p.

By: 
(sign)

Name: RONALD E. LOWE
(print name)

Its: VP
(print title)

**EXHIBIT 8
(Parcel 5)**

**DTD-Devco 4 LLC
17207 N Perimeter Dr, Ste 200
Scottsdale, AZ 85255**

December 17, 2015

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 509-44-0030; 509-44-0040, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

DTD-Devco 4 LLC

By: Jon P. Coulter
(sign)

Name: Jon P. Coulter
(print name)

Its: V.P. CONST + DEVELOPMENT
(print title)

EXHIBIT 9
(Parcel 7)
First American Title Insurance Company Trust 8673
c/o FIPC LLC
4040 E Camelback Rd Ste 210
Phoenix, AZ 85018

December 17, 2015

E. Robert Spear
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, AZ 85015

P O Box 29006
Phoenix, AZ 85038-9006

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Number(s) 401-01-012K; 401-01-012M; 401-01-012N; 401-01-012P; 401-01-012R; 401-01-128; 401-01-129; 401-01-130; 401-01-131; and 401-01-132, which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development with the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

First American Title Insurance Company, a Nebraska corporation, (redomesticated from California effective July 1, 2014) as Trustee under Trust 8673

BY: Charlotte A. Knoll

Name: Charlotte A. Knoll

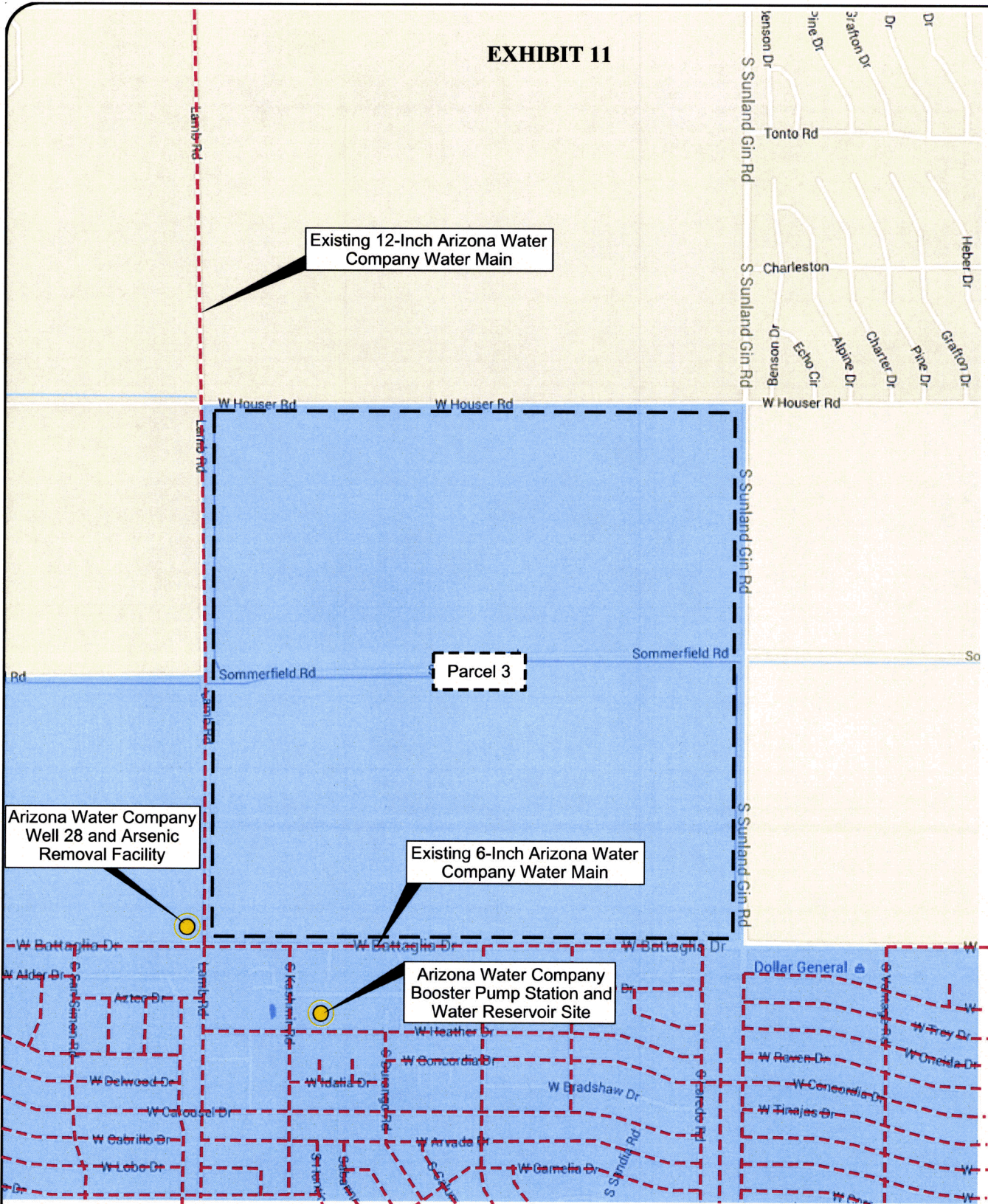
Its: Senior Trust Officer

EXHIBIT 10

COMPLIANCE ITEM CHECKLIST

<i>Docket</i>	<i>Assessor No</i>	<i>Property Owner(s)</i>	<i>Owner Letter Filed</i>	<i>ATC Filed</i>	<i>MXA Filed</i>	<i>CAWS Filed</i>	<i>Status</i>
05-0469	511-78-001A; 511-78-001B; and 511-78-0020	William H. & Jacqueline Warren (Parcel 3)	12/23/2015	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469	402-06-013A	Lawrence Land II LLC (Parcel 4)	4/5/2016	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469	402-06-012; 402-06-013B; 402-06-014; 402-06-019; and 402-06-024	Sonoran Ranch Properties LLC (Parcel 4)	n/a	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469	509-44-0010; 509-44-008C	Daley Woodruff LLC (Parcel 5)	12/23/2015	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469	509-44-0020	51 Buckeye Limited Partnership (Parcel 5)	4/5/2016	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469	509-44-0030; 509-44-0040	DTD-Devco 4 LLC (Parcel 5)	4/5/2016	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469	509-44-008B	DWOP (Parcel 5)	12/23/2015	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016
05-0469		Pulte Homes (SaddleCreek II) (Parcel 6)	n/a	2/12/2007	2/12/2007	2/12/2007	Full compliance
05-0469	401-01-012K; 401-01-012M; 401-01-012N; 401-01-012P; 401-01-012R; 401-01-128; 401-01-129; 401-01-130; 401-01-131; and 401-01-132	First American Title Insurance Company Tr 8673 (Parcel 7)	4/5/2016	7/16/2012			7/9/2014 - Decision 74781 extended compliance deadline to 3/23/2016

EXHIBIT 11



--- Existing Arizona Water Company Water Main

--- Parcel 3 Boundary

A Portion of Arizona Water Company Pinal Valley CCA

ARIZONA WATER COMPANY

DESCRIPTION:

Map Depicting the Location of Arizona Water Company Existing Facilities in Relation to Parcel 3

LOCATION:

Section 36, Township 6 South, Range 7 East, G.&S.R.B.&M.

DATE:

04.05.2016

SCALE:

1"= 1,320'

DRAWN BY:

CB